

CHAPTER NO. 365

HOUSE BILL NO. 655

By Representatives Kisber, Todd

Substituted for: Senate Bill No. 622

By Senators Cooper, Norris

AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 8; Title 9; Title 16; Title 45; Title 48; Title 51; Title 56; Title 57; Title 61; Title 62; Title 67 and Title 68; to enact the "Tax Act of 2001".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 6, Chapter 56, Part 1, is amended by adding the following as a new section:

Section 6-56-113.

(a) Any municipality that had a decrease in population from the 1990 federal census to the 2000 federal census of thirty-five percent (35%) or more because of the closing of federal military installations or otherwise shall have amounts from state-shared taxes distributed on the basis of population reduced based upon the population decrease only as follows:

(1) For the fiscal year beginning July 1, 2001, a reduction of twenty-five percent (25%) of the total amount these state-shared revenues would otherwise have decreased.

(2) For the fiscal year beginning July 1, 2002, a reduction of fifty percent (50%) of the total amount these state-shared revenues would otherwise have decreased.

(3) For the fiscal year beginning July 1, 2003, a reduction of seventy-five percent (75%) of the total amount these state-shared revenues would otherwise have decreased.

(4) For the fiscal year beginning July 1, 2004, a reduction of one hundred percent (100%) of the total amount these state-shared revenues would otherwise have decreased.

(b) These reductions are based only upon the difference between what the municipality would have received had its population not decreased and what it would have received based only upon its population in the 2000 federal census. Nothing in this section prohibits such a municipality from having a special census done as otherwise provided by law to adjust amounts distributed based only upon population, notwithstanding the phased-in reductions in the decrease provided in this section.

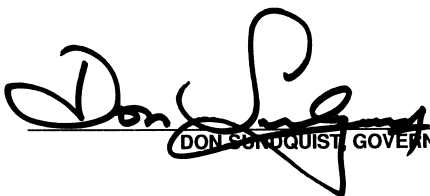
SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 29, 2001


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 7th day of June 2001


DON SUNDQUIST, GOVERNOR